

**PART 1 – THE SCHEDULE**

**SECTION B**

**SUPPLIES OR SERVICES AND PRICES/COSTS**

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**SECTION B**

**SUPPLIES OR SERVICES AND PRICES/COSTS**

**B.1 TYPE OF CONTRACT- ITEMS BEING ACQUIRED**

- (a) This is for two cost-plus-award fee (CPAF) type contract(s) for the Operation of the Depleted Uranium Hexafluoride (DUF6) Conversion Facility located at the Portsmouth Gaseous Diffusion Plant in Piketon, Ohio, and the Paducah Gaseous Diffusion Plant in Paducah, Kentucky with some management functions performed at an office located in Lexington, Kentucky. The contractor shall furnish all personnel, facilities, equipment, material, supplies, services (except as expressly set forth in this contract as furnished by the Government) and otherwise do all things necessary for, or incident to, the performance of work as described in Section C, Statement of Work (SOW).
- (b) Performance under this contract shall be subject to the availability of funds from which payment for contract purposes can be made. Therefore, funding is subject to change based on actual appropriations and actual award date of the contract(s). Such funds will be provided for all allowable and allocable billings for cost and fee.

**B.2 ESTIMATED COST AND AWARD FEE**

- (a) Three Month Mobilization and Transition Phase\*:

	<u>PORTSMOUTH</u>	<u>PADUCAH</u>
Total Estimated Cost	\$_____	\$_____

\*No fee shall be paid during the transition period.

- (b) Basic Term of the Contract is 57 Months (excluding options for Hot Functional Testing, WBS 1.0X.01.01.04) :

	<u>PORTSMOUTH</u>	<u>PADUCAH</u>
Total Estimated Cost	\$_____	\$_____
Total Available Award Fee	\$_____	\$_____
Total Estimated Cost and Total Available Award Fee	\$_____	\$_____

**B.3 OPTION FOR ADDITIONAL SERVICES**

- (a) The Government may require the delivery of the line items listed below,

identified in the Schedule as Option Items, to perform the Hot Functional Testing at the Portsmouth and Paducah Facilities. The Contracting Officer may exercise the option items by written notice to the Contractor at any time during the basic term of the contract in Section F. The Government has the unilateral right to exercise either or both of the following options.

- (b) Option 1 – Hot Functional Testing (Portsmouth Facility) WBS 1.02.01.01.04, including project management. The Contractor shall furnish all personnel, facilities, equipment, material, supplies, and services (except as may be expressly set forth in this Contract as furnished by the Government) and otherwise do all things necessary for, or incident-to, the performance of Hot Functional Testing at the Portsmouth Conversion Facility (Portsmouth Facility) as described in the Statement of Work in Section C, Paragraph C.3.1.3.5, if the Government elects to exercise this Option.

Total Estimated Cost \$\_\_\_\_\_

Total Available Award Fee \$\_\_\_\_\_

Total Estimated Cost and  
Total Available Award Fee \$\_\_\_\_\_

- (c) Option 2 - Hot Functional Testing (Paducah Facility) WBS 1.01.01.01.04, including project management. The Contractor shall furnish all personnel, facilities, equipment, material, supplies, and services (except as may be expressly set forth in this Contract as furnished by the Government) and otherwise do all things necessary for, or incident to, the performance of Hot Functional Testing at the Paducah Conversion Facility (Paducah Facility) as described in the Statement of Work in Section C, Paragraph C.3.1.3.5, if the Government elects to exercise this Option.

Total Estimated Cost \$\_\_\_\_\_

Total Available Award Fee \$\_\_\_\_\_

Total Estimated Cost and  
Total Available Award Fee \$\_\_\_\_\_

#### **B.4 LIMITATION ON FEE**

The Total Maximum Award Fee shall not exceed 10% of the estimated cost (excluding transition costs).

#### **B.5 FEE DETERMINATION AND PAYMENT**

- (a) For the Basic Term of the contract and Options, there is no base fee amount. The determination of award fee shall be based upon an Award Fee Plan,

including the criteria to be considered under each area evaluated and the percentage of award fee, if any, available for each area. The Award Fee Plan will be unilaterally established by the Government. A copy of the Award Fee Plan shall be provided to the Contractor not later than 30 calendar days prior to the start of the evaluation periods.

- (b) The Award Fee Plan will set forth the evaluation period and the criteria upon which the Contractor will be evaluated for performance relating to any (1) technical requirements if appropriate, (2) management requirements, and (3) cost functions as selected for evaluation. The amount of fee awarded shall be a unilateral determination by the Fee Determination Official (FDO).
- (c) The Award Fee Plan may be revised unilaterally by the Government at any time during the period of performance. Notification of such changes shall be provided to the Contractor 30 calendar days prior to the start of the evaluation period to which the change will apply.
- (c) Immediately upon the FDO's final determination of the award fee for the evaluation period, the Contractor may invoice any fee amount not previously paid or must repay any excess amount paid. Any unearned award fee from each evaluation period shall not be eligible to be earned in any future period(s). The total available award fee is \$ TBD for Portsmouth and \$ TBD for Paducah. Award fee available for each period is as set forth in the Award Fee Plan.

#### **B.6 LIMITATION OF FUNDS**

Pursuant to the FAR clause 52.232-22, entitled "Limitation of Funds," the total amount of incremental funding allotted is \$ TBD for Portsmouth and \$ TBD for Paducah. It is estimated that this amount is sufficient to cover performance through TBD.

#### **B.7 AUTHORIZATION OF TRANSITION COSTS UNDER THE CONTRACT**

Contract transition is up to 90 days of time prior to the date the Contractor assumes full responsibility for operation of the conversion facility. During the transition period, the Contractor shall perform those activities necessary to be prepared to assume full responsibility for the contract requirements. During the transition period, the Contractor shall bring to the site its management team and other staff necessary to plan and conduct those activities that provide for an orderly transfer of responsibilities and accountability. The Contractor shall coordinate its activities with DOE and the UDS Incumbent Contractor in order to provide an effective transition of personnel and work activities with minimal cost.

**B.8 ALLOWABILITY OF SUBCONTRACTOR FEE**

- (a) If the Contractor is part of a teaming arrangement as described in FAR Subpart 9.6, Contractor Team Arrangements, the team shall share in the total available fee. Separate additional subcontractor fee is not an allowable cost under this contract for individual team members, or for a subcontractor, supplier, or lower-tier subcontractor that is a wholly-owned, majority-owned, or affiliate of any team member.
- (b) The subcontractor fee restriction in paragraph (a) does not apply to members of the Contractor's team that are: (1) small business(es); (2) protégé firms as part of an approved mentor-protégé relationship under the Section H clause entitled, Mentor-Protégé Program; (3) subcontractors under a competitively awarded firm-fixed-price or firm-fixed-unit-price subcontract; or (4) commercial items as defined in FAR Subpart 2.1, Definitions of Words and Terms.

**B.9 DEAR 952.223-76 CONDITIONAL PAYMENT OF FEE OR PROFIT – SAFEGUARDING RESTRICTED DATA AND OTHER CLASSIFIED INFORMATION AND PROTECTION OF WORKER SAFETY AND HEALTH (JAN 2004)**

- (a) General.
  - (1) The payment of fee or profit (i.e., award fee, fixed fee, and incentive fee or profit) under this contract is dependent upon the contractor's compliance with the terms and conditions of this contract relating to the safeguarding of Restricted Data and other classified information (i.e., Formerly Restricted Data and National Security Information) and relating to the protection of worker safety and health, including compliance with applicable law, regulation, and DOE directives. The term "contractor" as used in this clause to address failure to comply shall mean "contractor or contractor employee."
  - (2) In addition to other remedies available to the Federal Government, if the contractor fails to comply with the terms and conditions of this contract relating to the safeguarding of Restricted Data and other classified information or relating to the protection of worker safety and health, the contracting officer may unilaterally reduce the amount of fee or profit that is otherwise payable to the contractor in accordance with the terms and conditions of this clause.
  - (3) Any reduction in the amount of fee or profit earned by the contractor will be determined by the severity of the contractor's failure to comply with contract terms and conditions relating to the safeguarding of Restricted data or other classified information or relating to worker

safety and health pursuant to the degrees specified in paragraphs (c) and (d) of this clause.

(b) Reduction Amount.

(1) If in any period (see 48 CFR 952.223-76 (b)(2)) it is found that the contractor has failed to comply with contract terms and conditions relating to the safeguarding of Restricted Data or other classified information or relating to the protection of worker safety and health, the contractor's fee or profit of the period may be reduced. Such reduction shall not be less than 26% nor greater than 100% of the total fee or profit earned for a first degree performance failure, not less than 11% nor greater than 25% for a second degree performance failure, and up to 10% for a third degree performance failure. The contracting officer must consider mitigating factors that may warrant a reduction below the specified range (see 48 CFR 904.402(c) and 48 CFR 923.7001(b)). The mitigating factors include, but are not limited to, the following (((v), (vi), (vii), and (viii) apply to WS&H only):

- (i) Degree of control the contractor had over the event or incident.
- (ii) Efforts the contractor had made to anticipate and mitigate the possibility of the event in advance.
- (iii) Contractor self-identification and response to the event to mitigate impacts and recurrence.
- (iv) General status (trend and absolute performance) of: safeguarding Restricted Data and other classified information and compliance in related security areas; or of protecting WS&H and compliance in related areas.
- (v) Contractor demonstration to the Contracting Officer's satisfaction that the principles of industrial WS&H standards are routinely practiced (e.g., Voluntary Protection Program Star Status).
- (vi) Event caused by "Good Samaritan" act by the contractor (e.g., offsite emergency response).
- (vii) Contractor demonstration that a performance measurement system is routinely used to improve and maintain WS&H performance (including effective resource allocation) and to support DOE corporate decision-making (e.g., policy, WS&H programs).

- (viii) Contractor demonstration that an Operating Experience and Feedback Program is functioning that demonstrably affects continuous improvement in WS&H by use of lessons-learned and best practices inter- and intra-DOE sites.
- (2)
  - (i) Except in the case of performance-based, firm-fixed-price contracts (see paragraph (b)(3) of this clause), the contracting officer, for purposes of this clause, will at the time of contract award, or as soon as practicable thereafter, allocate the total amount of fee or profit that is available under this contract to equal periods of [insert 6 or 12] months to run sequentially for the entire term of the contract (i.e., from the effective date of the contract to the expiration date of the contract, including all options). The amount of fee or profit to be allocated to each period shall be equal to the average monthly fee or profit that is available or otherwise payable during the entire term of the contract, multiplied by the number of months established above for each period.
  - (ii) Under this clause, the total amount of fee or profit that is subject to reduction in a period in which a performance failure occurs, in combination with any reduction made under any other clause in the contract that provides for a reduction to the fee or profit, shall not exceed the amount of fee or profit that is earned by the contractor in the period established pursuant to paragraph (b)(2)(i) of this clause.
- (3) For performance-based firm-fixed-price contracts, the contracting officer will at the time of contract award include negative monetary incentives in the contract for contractor violations relating to the safeguarding of Restricted Data and other classified information and relating to protection of worker safety and health.
- (c) Safeguarding Restricted Data and Other Classified Information. Performance failures occur if the contractor does not comply with the terms and conditions of this contract relating to the safeguarding of Restricted Data and other classified information. The degrees of performance failures relating to the contractor's obligations under this contract for safeguarding of Restricted Data and other classified information are as follows:
  - (1) First Degree: Performance failures that have been determined, in accordance with applicable law, regulation, or DOE directive, to have resulted in, or that can reasonably be expected to result in, exceptionally grave damage to the national security. The following are examples of performance failures or performance failures of similar import that will be considered first degree:

- (i) Non-compliance with applicable laws, regulations, and DOE directives actually resulting in, or creating a risk of, loss, compromise, or unauthorized disclosure of Top Secret Restricted Data or other information classified as Top Secret, any classification level of information in a Special Access Program (SAP), information identified as sensitive compartmented information (SCI), or high risk nuclear weapons-related data.
  - (ii) Contractor actions that result in a breakdown of the safeguards and security management system that can reasonably be expected to result in the loss, compromise, or unauthorized disclosure of Top Secret Restricted Data, or other information classified as Top Secret, any classification level of information in a SAP, information identified as SCI, or high risk nuclear weapons-related data.
  - (iii) Failure to promptly report the loss, compromise, or unauthorized disclosure of Top Secret Restricted Data or other information classified as Top Secret, any classification level of information in a SAP, information identified as SCI, or high risk nuclear weapons-related data.
  - (iv) Failure to timely implement corrective actions stemming from the loss, compromise, or unauthorized disclosure of Top Secret Restricted Data or other classified information classified as Top Secret, any classification level of information in a SAP, information identified as SCI, or high risk nuclear weapons-related data.
- (2) Second Degree: Performance failures that have been determined, in accordance with applicable law, regulation, or DOE directive, to have actually resulted in, or that can reasonably be expected to result in, serious damage to the national security. The following are examples of performance failures or performance failures of similar import that will be considered second degree:
- (i) Non-compliance with applicable laws, regulations, and DOE directives actually resulting in, or creating risk of, loss, compromise, or unauthorized disclosure of Secret Restricted Data or other information classified as Secret.
  - (ii) Contractor actions that result in a breakdown of the safeguards and security management system that can reasonably be expected to result in the loss, compromise, or unauthorized disclosure of Secret Restricted Data, or other information classified as Secret.



- (iii) Failure to promptly report the loss, compromise, or unauthorized disclosure of Restricted Data or other classified information regardless of classification (except for information covered by paragraph (c)(1)(iii) of this clause).
  - (iv) Failure to timely implement corrective actions stemming from the loss, compromise, or unauthorized disclosure of Secret Restricted Data or other information classified as Secret.
- (3) Third Degree: Performance failures that have been determined, in accordance with applicable law, regulation, or DOE directive, to have actually resulted in, or that can reasonably be expected to result in, undue risk to the common defense and security. In addition, this category includes performance failures that result from a lack of contractor management and/or employee attention to the proper safeguarding of Restricted Data and other classified information. These performance failures may be indicators of future, more severe performance failures and/or conditions, and if identified and corrected early would prevent serious incidents. The following are examples of performance failures or performance failures of similar import will be considered third degree:
  - (i) Non-compliance with applicable laws, regulations, and DOE directives actually resulting in, or creating risk of, loss, compromise, or unauthorized disclosure of Restricted Data or other information classified as Confidential.
  - (ii) Failure to promptly report alleged or suspected violations of laws, regulations, or directives pertaining to the safeguarding of Restricted Data or other classified information.
  - (iii) Failure to identify or timely execute corrective actions to mitigate or eliminate identified vulnerabilities and reduce residual risk relating to the protection of Restricted Data or other classified information in accordance with the contractor's Safeguards and Security Plan or other security plan, as applicable.
  - (iv) Contractor actions that result in performance failures which unto themselves pose minor risk, but when viewed in the aggregate indicate degradation in the integrity of the contractor's safeguards and security management system relating to the protection of Restricted Data and other classified information.

(d) Protection of Worker Safety and Health. Performance failures occur if the contractor does not comply with the contract's WS&H terms and conditions, which may be included in the DOE approved contractor Integrated Safety Management System (ISMS). The degrees of performance failure under which reductions of fee or profit will be determined are:

(1) First Degree: Performance failures that are most adverse to WS&H or could threaten the successful completion of a program or project. For contracts including ISMS requirements, failure to develop and obtain required DOE approval of WS&H aspects of an ISMS is considered first degree. The Government will perform necessary review of the ISMS in a timely manner and will not unreasonably withhold approval of the WS&H aspects of the contractor's ISMS. The following performance failures or performance failures of similar import will be deemed first degree:

(i) Type A accident (defined in DOE Order 225.1A).

(ii) Two Second Degree performance failures during an evaluation period.

(2) Second Degree: Performance failures that are significantly adverse to WS&H. They include failures to comply with approved WS&H aspects of an ISMS that result in an actual injury, exposure, or exceedence that occurred or nearly occurred but had minor practical long-term health consequences. The following performance failures or performance failures of similar import will be considered second degree:

(i) Type B accident (defined in DOE Order 225.1A).

(ii) Non-compliance with approved WS&H aspects of an ISMS that results in a near miss of a Type A or B accident. A near miss is a situation in which an inappropriate action occurs, or a necessary action is omitted, but does not result in an adverse effect.

(iii) Failure to mitigate or notify DOE of an imminent danger situation after discovery, where such notification is a requirement of the contract.

(3) Third Degree: Performance failures that reflect a lack of focus on improving WS&H. They include failures to comply with approved WS&H aspects of an ISMS that result in potential breakdown of the contractor's WS&H system. The following performance failures or performance failures of similar import will be considered third degree:

- (i) Failure to implement effective corrective actions to address deficiencies/non-compliance documented through external (e.g., Federal) oversight and/or reported per DOE Order 232.1A requirements, or internal oversight of DOE O 440.1A requirements.
- (ii) Multiple similar non-compliances identified by external (e.g., Federal) oversight that in aggregate indicate a significant WS&H system breakdown.
- (iii) Non-compliances that either have, or may have, significant negative impacts to workers that indicate a significant WS&H system breakdown.
- (iv) Failure to notify DOE upon discovery of events or conditions where notification is required by the terms and conditions of the contract.